



Senator Ken Jacobsen

46th District Legislative Report

Fall 2003

Dear Friends:

The system is broke. Facing a \$2.6 billion budget shortfall, state legislators passed a no-new-taxes budget last session that essentially nullified two state initiatives aimed at improving public schools.

A lot is made of politicians going against the will of the people, but the ironic truth is that it has become almost impossible in our state to pass a state budget that does not violate the people's will in some way. Each year, voters go to the polls and pass a slate of initiatives. Some propose costly improvements to state services, others eliminate taxes. As a result, state lawmakers are put in the awkward position of passing a budget that inevitably goes against the people's will by either proposing new taxes, or by eliminating initiative-enhanced state services.

What this says to me is that the system is broke and needs fixing. The state has become ungovernable. This newsletter takes a closer look at the structural problems facing the state. Hopefully, it will generate more discussion as we look ahead to the upcoming legislative session, which begins Jan. 12, 2004. As always, I look forward to hearing your ideas and concerns.

Sincerely,

A handwritten signature in green ink that reads "Ken Jacobsen".

Senator Ken Jacobsen
46th Legislative District

Keep In Touch!

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It's too late when she's gone.

A guy I once knew used to tell his wife, "How can I miss you if you never go away?" He used to say that to her all the time, and do you know what happened? She went away.

I was talking to him some time later and he told me he never knew how good he had it until she left.

I fear that may be a parable for the future of our state. The bipartisan, no-new-taxes budget passed by the Legislature last session continues to divest public schools, higher education, low-income children and working families.

Common sense says we can't continue trimming the fat without eventually cutting into bone. That

bone is the state's infrastructure, and we are already cutting into it deeply.

Take, for example, the state's lingering transportation crisis. Gov. Gary Locke's Competitiveness Council reported last year that the number one thing we can do to make our state more attractive to business is to invest in our transportation infrastructure.

Last year, the Legislature put together an ambitious transportation plan to make the state more competitive. Unfortunately, skittish lawmakers in the House of Representatives refused to approve the package in Olympia and sent it out on referendum where it was

soundly defeated by voters. What message does it send to businesses when the Legislature is too scared and the electorate too short-sighted to solve our state's number one competitiveness issue?

Other states are not afraid. Not long ago, the Republican governor of Alabama proposed a \$1 billion tax increase to invest in needed infrastructure because he realized that tax money and the infrastructure it buys are necessary ingredients for prosperity.

My fear is that we've been prosperous for so long we forgot that lesson. I fear we won't know how good we had it until after she is gone.

A dramatic change of course.

The warning bells have sounded. The state's unemployment rate is among the highest in the nation.

The final days of this year's 30-day special session saw lawmakers scrambling to pass a package of tax incentives aimed at luring Boeing to build its 7E7 jetliner in Washington. Without a doubt, the package of incentives passed by the Legislature is a big enticement.

However, no bag of goodies is enough to entice any business to a state that cannot provide the essentials—quality public schools, excellent universities, roads and highways that are free of gridlock. Although lawmakers passed some enticing extras, they ignored the fundamental flaws plaguing our state.

Above all, they ignored the initiative and referendum system that made our state ungovernable. We

cannot continue budgeting by initiative. We will not be competitive as long as voters insist on passing conflicting initiatives almost every year that either increase state services, decrease state revenues, or completely rescind acts passed by the Legislature.

An example of the failure of the initiative and referendum system is last year's Referendum 53, which overturned a new law to overhaul the state's unemployment tax system. Historically, some businesses—such as restaurants and Boeing—paid more into the state's unemployment fund. Other businesses—such as building and construction firms—paid less. Last year, the Legislature passed a new law to level the playing field.

However, the building industry opposed the new law because it

would have increased tax rates for builders. So they sponsored Referendum 53 and voters approved it.

With the new law gutted, the Legislature passed another overhaul of the unemployment system this year. But this year's version will result in lower benefits for workers.

The initiative process, which started as a populist tool for freeing the political system of the corrupting influence of big money interests, has been co-opted by the very interests it was designed to protect us from.

A dramatic change of course is needed if we want to become the state we once were. Unless we take the big steps that need to be taken, our quality of life will continue to erode, and we'll continue to see Washington descending ever lower on national indices.

Sacrificing higher education quality on the altar of low tuition.

Another area of concern is higher education. In the 1960s and '70s, a combination of state and federal support set the stage for huge research gains at the University of Washington (UW) and attracted world-class professors to our state. The result was a series of spinoff companies that powered our state economy through the 1980s and '90s.

In many ways, we're still reaping the rewards of those glory days. But the previous level of support has fallen. As a result, many higher education leaders say they can't continue to maintain such a broad selection of top programs. To make matters worse, we are already losing some of our best professors to other states willing to pay them what they are worth.

Despite years of declines in higher education funding, there are still some people who embrace the state's tuition policy, which is based on low tuition and moderate financial aid. I have long advocated a tuition policy based on reasonable tuition and high financial aid, similar to the model used by private universities.

One of the main arguments against this model is that it would hamper access, especially for low-income students. In reality, the opposite is true. Private universities with their high-tuition, high-aid structures provide more access for low-income students than the state's public universities.

Consider this: The average family income for freshmen at the

UW, where tuition costs about \$4,500 a year, is more than \$70,000 a year. The average family income for freshmen at nearby Seattle University, where tuition costs about \$18,000 a year, is about \$45,000 a year. Private universities can assure access to low- and middle-income students through generous financial aid programs.

Our state's public universities are a bargain. In fact, tuition at UW could go up over \$2,500 and it would still cost more than \$400 less than tuition at Heritage College, the most affordable private university in the state.

Even with annual tuition costs of more than \$7,500, Heritage College has the most diverse student body in the state:

- 37 percent of the students are Hispanic;
- 10 percent are Native American;
- two-thirds of the students have family-incomes below \$20,000 per year, and about 95 percent qualify for federal student aid;
- three-quarters of the student body is female and the average age is 31.

To say low tuition is the key to higher education access and diversity, simply is not true.

For students, the state's current tuition policy is both good news and bad news. The good news is low tuition. The bad news is that the quality of your education is diminished. You can't get the classes you want, and the professors who teach those classes are leaving the state. Is it worth it? Probably not.

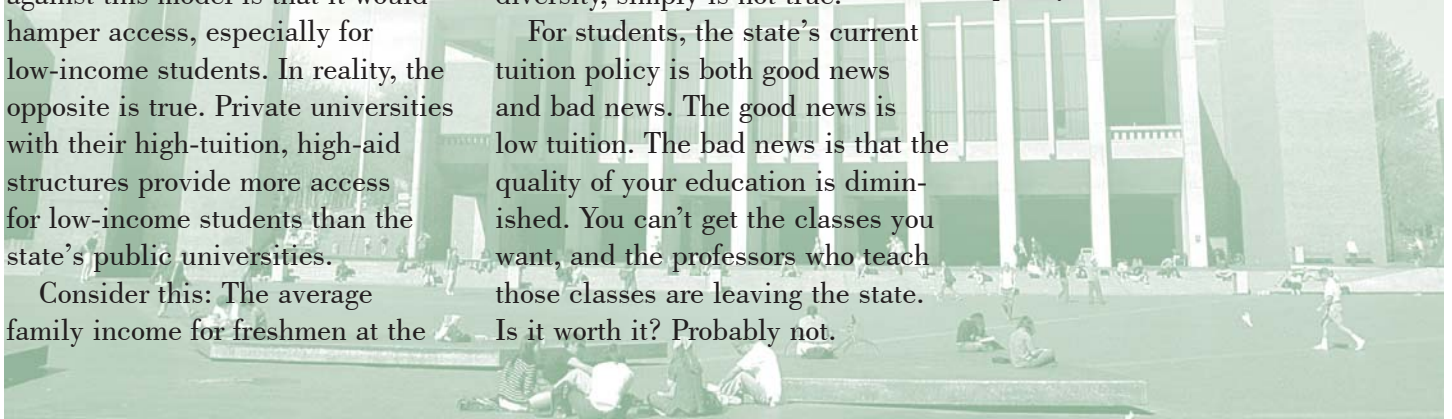
The Brain Drain

Every couple of years, a University of Texas survey compares salaries of full professors of economics at major public universities. The just-completed survey covers current salaries for 339 full professors around the country, 13 of whom work at UW. The results show a disturbing trend:

- UW ranks 17 out of 17 in terms of average salaries;
- Even with an 18-percent salary increase salaries at UW would still rank 17 out of 17.
- The UW group average salary is 35 percent below the average salary at other public universities.

Without competitive salaries and benefits, many of our state's best professors will be lured away to other states willing to pay them what they are worth.

The solution is to stop treating our public universities like children and start treating them like adults by giving them the authority to set their own tuition. For too long we have sacrificed higher education quality on the altar of low tuition.



A personal note

I strongly believe in doing what I think is decent and humane.

In the closing days of the 2003 legislative session, one of my Republican colleagues, Sen. Jim West of Spokane, announced that he would undergo chemotherapy treatment for cancer. He postponed treatment until after session. The future seemed uncertain.

In a private moment, he pulled me aside and asked if I would vote for him on procedural issues. This courtesy would free him to undergo chemotherapy as soon as possible. I agreed.

Too often, politics is characterized as a blood sport where one side wins and the other loses. Some people see it as a cutthroat business where only the strong survive. However, I don't see it this way.

I recall a situation when I was a member of the House of Representatives. Rep. Mike Riley, a Democrat from Longview, was suffering from a brain tumor. He had to be moved from his hospital bed and wheeled into the House chamber on a stretcher to vote for a bill aimed at reducing youth violence. It was a courageous thing to do.

Rep. Riley believed in youth violence reduction so much that he was willing to jeopardize his own health in order to see the bill pass. But I feel it's unfortunate that a sick man had to perform such a heroic act. The reason he was wheeled onto the floor in the first place was because the other party refused to give up one vote for a bill that ended up passing anyway. Riley died after session, long before his time.

I have long believed that the stress of being moved and having to vote hastened his death.

When the 2003 special session started earlier this year, Sen. West showed up for a day. It was clear his condition had worsened. He seemed very weak. Many people were astonished at how much weight he had lost. In order to get him home, where he could get the treatment and rest he needed, I agreed to vote for him both on procedural matters and on policy issues. Again, I believed that offering this bridge of good will was a decent thing to do.

In the end, the votes I took for Sen. West were largely symbolic. They did not lead to passage of any bills that wouldn't have passed. Even so, I stand behind the votes I took for West in the spirit of decency, cooperation, and good will.

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Contact Me
As always, feel free to contact me with your issues or concerns. Thank you again for the privilege of representing you in the Washington State Senate.

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